

Brownfields Projects

Using the Environmental Infrastructure Financing Program



**Municipal Finance
And Construction**

**New Jersey Department of
Environmental Protection
Division of Water Quality**

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

The New Jersey Environmental Infrastructure Financing Program (EIFP) is a partnership between the New Jersey Department of Environmental Protection and the New Jersey Environmental Infrastructure Trust. The Legislature created the program to offer local governments and private water purveyors low-cost financing for construction of wastewater and drinking water infrastructure, landfill construction and closure, and stormwater and nonpoint source pollution management projects. Nonpoint source projects may include open space acquisition and remedial action such as a brownfields cleanup that produces a water quality improvement.

BROWNFIELDS PROJECTS

New Jersey is burdened with more than 10,000 properties that are, or may be, contaminated with hazardous substances and are either sitting idle or are underutilized. These brownfield sites threaten the environment, drain the economy and spoil quality of life in many of our communities.

Brownfields exist in suburban and rural areas as well as in urban communities. Returning brownfield sites to productive use pays dividends. These projects protect the environment and preserve open space. Every acre of brownfield redevelopment spares 4.5 acres of pristine land from development.

Brownfield redevelopment also boosts local tax revenue, creates jobs, revitalizes New Jersey's cities and towns, and improves the quality of life for area residents.

FINANCING THROUGH THE EIFP

EIFP borrowers receive two loans, a zero percent interest loan from DEP and a market rate loan from the sale of the Trust's AAA-rated tax-exempt bonds. Some projects will receive 75 percent of the total loan from DEP and 25 percent from the Trust, making the loans financed at only one-quarter of the market rate. Qualifying for the 75/25 financing:

- Projects serving a designated urban center or urban complex
- Combined sewer overflow projects
- Open space land acquisition projects

All other projects will receive 50 percent of the total loan from DEP and 50 percent from the Trust, making these loans financed at one-half of the market rate.

WHAT IS ELIGIBLE FOR FUNDING?

All water quality improvement components of a proposed brownfields remediation project are eligible under the EIFP, such as:

- Contaminated sites cleanup
- Spill cleanups
- Treatment of contaminated groundwater
- Landfill closure

For more information on brownfields projects, contact Dr. Judy Shaw, Brownfields Administrator, at (609) 292-1251.

WHAT ELSE CAN BE FUNDED?

- Wastewater projects
- Stormwater and nonpoint source pollution management projects, including street sweepers, skimmer boats, and netting on outfalls
- Drinking water projects
- Open space acquisition and conservation
- Landfill construction and closure
- Security such as fencing, lighting, motion detectors, and cameras

CONTACT US FOR INFORMATION

- **Engineering Planning and Design** - (609) 984-6840
- **Environmental Planning, Design and Project Priority List** - (609) 292-3859
- **Financial Applications and Payments** - (609) 633-1208

ADVANTAGES OF BORROWING THROUGH THE EIFP

Lowest interest – Brownfields remediation projects are eligible for loans at one-quarter or one-half of the market rate.

Reduced financing costs – Borrowers benefit from reduced costs due to the economies of scale of a pooled bond issue. Bond insurance is rarely needed, interest may be capitalized and principal payments deferred during construction, and the debt service reserve fund is capitalized by the state.

Match to other funding programs – The amount available to project sponsors for EIFP loans is unlimited and can be used to supplement grants and other loan programs.

HOW TO QUALIFY

October 1 of each year is the deadline for submitting a commitment letter and planning documents to qualify for a loan award in November of the following year.

Pre-award approval may be granted to allow applicants to proceed with a project before the loan award.

Short-term financing for approved work initiated before the loan award is also available through the EIFP.



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